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TO RUEHC/SECSTATE WASHDC PRIORITY 5850
INFO RUCNIAD/IGAD COLLECTIVE
RUEATRS/DEPARTMENT OF TREASURY WASHDC
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SENSITIVE

DEPT FOR AF/SPG, AF/EPS, EB/IFD, AND EB/ESC
DEPT PLS PASS TO USAID FOR AFR
TREASURY FOR OFAC
USDOC FOR ANESA

E.O. 12958: N/A

TAGS: [BEXP](#) [BTIO](#) [ETTC](#) [ECON](#) [EAID](#) [PREL](#) [SU](#)

SUBJECT: Termination of Land Rover Operations Creating
Difficulties for Company and Customers

11. (U) This is an action request - see para 6.

12. (SBU) Summary: Land Rover has been ordered by Ford Motor Company to close down all commercial operations in Sudan. Representatives of Land Rover here believe this action was taken as a result of pressure from the U.S. Government. The shut down is creating a "horrendous" situation of liabilities and contract problems with customers, according to local sources. Customers affected by the closure include the British Embassy and several humanitarian agencies. Sudan had been the largest market in sub-Saharan Africa, outside of South Africa, for Land Rover. Embassy requests Washington guidance on possible measures to reduce impact on humanitarian agencies or permit the shut down of sales and service to be less abrupt. End summary.

13. (SBU) On January 21, Duncan Thomas and Norman Dunkerley met with Econ Officer. Dunkerley is technical advisor to Awab Motors, the local Land Rover agent. Thomas is the Executive Director of AES Support, a UK-based firm engaged in automobile distribution in several African countries. Thomas and Dunkerley stated that Land Rover has recently received instructions from Ford Motors, which owns Land Rover, to shut down sales and service operations in Sudan. They explained that this will pose a "complete and utter nightmare" for their businesses, and will create a "horrendous" tangle of liabilities and breaches of contract with customers. Thomas noted that Land Rover is a UK company, and its vehicles are not U.S. sourced. They had asked for a meeting at the Embassy because they believed the order to cease operations from Ford was a result of pressure from the USG, specifically from the SEC, on Ford. However, visiting AF/SPG Deputy Director Small suggested that the decision might be a result of pressure on U.S. companies to divest from Sudan.

14. (SBU) Thomas noted that Sudan is the largest market in sub-Saharan Africa, outside of South Africa, for Land Rover. Sales for 2006 were about 500 vehicles and projected sales for 2007 were 600 to 1000. Customers include the British Embassy and humanitarian NGOs, such as Oxfam, Save the Children, and Mines Advisory Group. Some of the NGOs are implementing partners for USAID. Under the instructions to shut down operations, vehicles already ordered will not be delivered, spare parts will no longer be sold, and warranties will not be honored.

15. (SBU) Thomas and Dunkerley arrived at the meeting at the Embassy well briefed on U.S. sanctions. They had copies of the executive order imposing sanctions, and noted that, under the terms of that order, U.S. firms were allowed six months to shut down existing operations in Sudan. Based on their assumption that the shut down came as a result of U.S. Government regulations, they asked if a similar six-month phase out period would be possible for Land Rover. They also asked if any exemptions could be provided for sales to

the British Embassy or humanitarian agencies. Econ Officer advised that if the closing of operations were based on sanctions regulations, then an application for a license through the Department of Treasury, Office of Foreign Assets Control (OFAC), might be an option that Ford should consider.

¶6. (SBU) Action requested: Embassy requests any information Washington has on the reason for Ford's decision to shut down Land Rover operations in Sudan. If the shut down is due to sanctions, please advise if a six-month phase out or license for sales to humanitarian agencies might be feasible.

HUME